

Title: Mandatory State Use of National Correct Coding Initiative

Section: 6507

Mandatory

Overview: Section 6507 of the Patient Protection and Affordable Care Act (ACA) requires states to incorporate compatible methodologies of the National Correct Coding Initiative (NCCI) for Medicaid claims filed on or after October 1, 2010. The NCCI is a program that the Centers for Medicare and Medicaid Services (CMS) uses in the federal Medicare program to ensure accurate coding and reporting of services by physicians. Improper coding can result in inappropriate payment to providers.

NCCI policies and edits identify procedures and services performed by the same provider for the same beneficiary on the same date of service. The intent of the program is to identify: (1) procedures that should not be reported together; and (2) units of service beyond which the reported number of units of service is unlikely (e.g., claims for excision of more than one gallbladder). Claims that do not satisfy the edits are denied payment. The provider/vendor submitting the claim can appeal the denial.

Targeted Populations: Medicaid providers.

Fiscal Impact: Unknown at this time. However, CMS provides 90-percent federal financial participation (FFP) to the states for design, development, and installation, and 75-percent FFP for maintenance and operations of the State's Medicaid Management Information Systems (MMIS). CMS is authorized to provide FFP to the states to pay for the cost of incorporating and maintaining Medicaid NCCI methodologies into their MMIS system.

Applicability to Nevada: Nevada Medicaid currently utilizes a clinical claims editor – McKesson ClaimCheck® – to enhance the claims adjudication process for Medicaid and Nevada Check Up (i.e., CHIP). DHCFP staff has requested that McKesson determine how it will integrate the Medicaid NCCI into the ClaimCheck® product. As of October 1, 2010, McKesson has not indicated whether it can integrate the NCCI into its system, nor has McKesson provided Nevada Medicaid with a cost estimate.

Once the evaluation of ClaimCheck® is completed, we will determine the extent to which revisions to our claims payment system are required to comply with the federal law. We anticipate our vendor will expect to be compensated for the cost of installing and configuring these edits into its system. In addition, NCCI edits are updated quarterly, which will require ongoing maintenance of the system to incorporate these quarterly modifications.